

**STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES  
SEPTEMBER 2006**

Date: October 16, 2006

To: All Civil Service/Exempt Departments

From: State Controller's Office  
Pam Keegan, Manager  
Cynthia Rounds, Manager  
Personnel/Payroll Operations  
(916) 323-2539/324-6290

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 14, 2006 Personnel/Payroll Committee (PPRC) Meeting and provides information for the November 9, 2006 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 44 representatives from 28 departments that participated in this meeting.

Personnel/Payroll Review Committee  
September 14, 2006 Meeting Notes

Pam Keegan called the meeting to order at 1:30.

Departments Represented:

Alcohol and Drug Programs, Alcohol Beverage Control, Board Of Equalization, California Integrated Waste Management, California Student Aid Commission, CalPERS, Commission on Teacher Credentialing, Corporations, Corrections, Developmental Services, Environmental Health Hazard, Financial Institutions, Fish and Game, Food and Ag, Forestry and Fire Protection, Franchise Tax Board, General Services, Health Services, Housing and Community Development, Justice, Managed Care, Motor Vehicles, Pesticide Regulation, Secretary of State, State Controller's Office, State Teachers Retirement System, State Treasurer's Office, Water Resources.

Old Business:

None

New Business:

Agenda Items  
Distribute Handout Materials  
Approve Prior Meeting Notes  
Guest Speakers  
SCO Update  
Department Issues/Concerns  
Confirm Next Meeting Agenda, Time and Place

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Discussion:

Approved July 2006 meeting notes.

Guest Speaker:

Pat Quinn, Manager SCO 21<sup>st</sup> Century Project, (916) 375-6043, addressed the group on the status of the project. I am sure that most of you are aware that we have started the project to replace our existing legacy system with a product from SAP.

We have completed the Preparation Phase and our current effort is the Blueprint Phase. To accomplish our goals we are conducting Blueprint Workshops. It is very important that we have the necessary participation from the departments to map out the way we will process the work in the new system. Of the 45 Blueprint Workshops, 16 have been completed and 29 are remaining. The subject matter covered in those initial 16 workshops included payroll, time keeping and organization management. We had 10 -15 in attendance at each session. At the end of each session, the attendees are asked to complete an evaluation of the session. So far these have been very complimentary.

Best Business Practices are covered during these sessions to see if the software solution will work for California. For example, one item recently discussed was the State's practice of using "nearly equal 21-22 day pay periods". This is a practice that the software, SAP and system integrator, BearingPoint have not previously encountered.

After all the sessions have been completed, we will review the information gathered. We will then ask the same participants to attend validation sessions. At that time we may also review the items that were placed in the "Parking Lot" which is a term we use to describe items that require additional discussion and/or a decision is needed. We expect the workshop process to be complete by the end of November.

Another area of discussion includes departments enrolled in CLAS (California Leave Accounting System) before the roll out of the new system. We plan to convert the leave data from CLAS automatically to populate the leave portion of the new system.

When we convert a department we will conduct training classes here in Sacramento in the training rooms being built on the 2<sup>nd</sup> floor of the 300 Capitol Mall building.

To clarify the functionality being rolled out there has been a change in the roll out plan. Our original vision was to roll out pieces of the system, such as employee self serve, or leave accounting. Now we plan to roll out all functionalities at one time to each department.

Our current schedule is targeting January 2008 to roll out the first department. We will add and convert departments in 4 waves until we have all State departments on board.

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If your department is interested in being one of the pilot departments, let me know. We can be reached at [21stCentury@sco.ca.gov](mailto:21stCentury@sco.ca.gov).

Question: How did you determine who would participate in the Blueprint Workshops?

Answer: We communicated with the various departments' 21<sup>st</sup> Century liaisons, and corresponded with the departments' Chief of Administration asking that the appropriate Subject Matter Experts (SME) be volunteered for these sessions.

Questions: What if the liaison or the SME are no longer in that position?

Answer: We keep a current listing of department liaisons that can be updated by the department.

Questions: Will both Dental and Health be available on line? And what will happen to ACES?

Answer: We hope to have Dental as part of our benefits functionality. We are talking to DPA, the current administrator of the program. We are also talking to CALPERS about ACES to see how Health will work in the new system.

Question: How will the new system perform checks and balances on employee self serve for benefits? What is the audit trail if the employee does something wrong and then doesn't admit responsibility?

Answer: The new system should have the ability to identify situations where an error is being made and where hard copies or reviews are necessary, i.e. a marriage or death etc. There will be an electronic record of when and from whom transactions are processed, so an audit trail can be obtained if necessary.

Question: What if we have our own Human Resource system?

Answer: SCO is not utilizing all the business functionalities of the SAP product. Some functionality will be required for all State Agencies, leave, payroll and employment for example. Others, like Timekeeping would be optional.

Pam Keegan addressed the following:

Calendar Year-End Processing: Be very aware and careful with items that should be processed to appear on the 2006 W-2. For example, once there are no more payroll cycles, we have no way to issue additional pay to your employees or take Savings Plus deductions. If the employees come to you after the last green and state they are retiring, they must be advanced the pay they want to reflect on the 2006 W-2 and you must report the advance timely.

If they want to defer to Savings Plus, their option is to have pay issue in 2007 and defer it from the 2007 W-2 taxable wages.

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Address change: Employees must correct their address via the EAR if they have had an address change so that their 2006 W-2 will be delivered correctly. If they have a change of address on file with the US Postal Service and if it has not expired, the Disbursement's system will pick up the new address. The ones that the Postal Service deems undeliverable will come back to your agency. If your agency has had a change in mailing address, be sure to notify us of that change.

New process for Child Support garnishments: Please refer to Payroll Letter 06-016 dated September 18, 2006 for instructions. Here is a link to the PPSD 638 on our website: <http://www.sco.ca.gov/ppsd/empinfo/childsup/ppsd638.pdf>

Question: What are we to do if an employee comes to us and says their child is over 18 and the employee wants to terminate the child support?

Answer: This is an employee/employer issue. All the court orders are individual and we cannot make judgments on whether a particular order allows for automatic termination on the child's 18<sup>th</sup> birthday. You must evaluate each situation and the employee may well need to return to the court for relief.

Question: Will we still receive the same garnishment documentation that we receive with the garnishment warrants now?

Answer: You will receive the CD155 but instead of the case number a California Child Support Automation System (CCSAS) number will replace it.

Question: What will happen with late dock if we need to redeposit?

Answer: At some point in the future, Disbursements will change the sort of the warrants so that these child support warrants may be held for a short while to allow for redeposit of the master payroll. This process will mean the warrants will not have gone to the DCSS/SDU. If the warrant is sent to the SDU we will not be able to get those funds back and an agency overpayment will be established by Disbursements if the subsequent warrant is for a lesser amount and the support warrant cannot be withheld.

Question: Can we send all our child support warrants to the SDU in the same envelope?

Answer: Yes, this should be fine.

Question: Why does my employee not show up on the Vision Services Plan (VSP) file?

Answer: Please provide us with the SSN so that we can verify that the employee is on the internet file. It may be that the VSP is not downloading the file correctly.

Question: Now that we have determined that retired annuitants can work overtime and be paid time and a half, will PIP be modified for this purpose?

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Answer: No, since the 21<sup>st</sup> Century is coming up in about 18 months, we are only making mandatory changes to the payroll system.

Cynthia Rounds provided the following:

Alternate Retirement Program (ARP): We will process 505's during the first week of every month to move the ARP eligible employees to their normal retirement account code. The turn around PARs should be out to you shortly thereafter. We will also post the 505-update on the Decentralized Calendar.

Damaged Master Payroll warrants for August: Disbursements had a printer problem that resulted in 1300 damaged warrants. They tried to alleviate the problem by printing replacement warrants. These warrants did not contain the bank account number, so a number of financial institutions refused to honor them. Disbursements provided departments with an employee letter to help cash the warrant but there was still some dissatisfaction. Disbursements has developed a plan to handle the employer notification in a better way should this happen again and will package the letter along with the replacement warrants.

July 1 GEN for SEIU employees: The September warrants should all generate with the new rate. The GEN will run on Friday night, but we will not allow it to go through payroll until the final green cycle of September. We will run the bonus for the eligible employees in the last green cycle. In this way the July and August adjustments and the bonus will issue in one summarized warrant. The warrant will not be available to the employees until October 2, 2006. This is also to be the Direct Deposit posting date.

Bargaining unit 3-5 and 17 will process in subsequent dates. The GEN for BU3 will run on Saturday the 16<sup>th</sup>, the pay differential for BU5 will process on Tuesday the 19<sup>th</sup> and the GEN for BU 17 will process also on Tuesday.

Question: Will SCO ever burst the pre-printed 672s for us prior to sending them out?

Answer: Probably not, we are very short staffed and this is a time consuming process.

Question: Who issues the report on revolving fund expenditures?

Answer: This is probably an accounting report. Please contact SCO Division of Accounting.

Question: How does Master Payroll get to us?

Answer: The Division of Disbursements prints, sorts and bundles the Master payroll for agencies. How it actually gets to you is determined by arrangements made with Disbursements to either mail, overnight or pick up the payroll. If you need to change something concerning payroll delivery, call Paul Warrick at (916) 324-0121

Next Meeting:

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The next meeting is Thursday November 9, 2006 from 1:30 to 3:00 at:

State Controller's Office  
300 Capitol Mall, 6th Floor, Room 635  
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2006 and 2007 calendar years. All meetings are from 1:30 to 3:00 at the above location.

November	9	2006
January	11	2007
March	8	2007
May	10	2007
July	12	2007
September	13	2007
November	8	2007

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Pam Keegan at (916) 323-2539 or Cindy Rounds at (916) 324-6290. They can also be reached via email at [pkeegan@sco.ca.gov](mailto:pkeegan@sco.ca.gov) and [crounds@sco.ca.gov](mailto:crounds@sco.ca.gov), respectively.